

**Village of Doyline
Doyline, Louisiana**

Financial Statement

As of and For the Year Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/9/11

Village of Doyline
Doyline, Louisiana

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Accountants' Review Report

The Honorable Cleveland Bradfield, Mayor
and Members of the Board of Alderman
Village of Doyline
Doyline, Louisiana

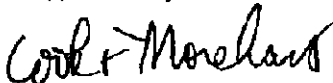
We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Doyline as of and for the year ended June 30, 2010, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Village of Doyline.

A review consists principally of inquiries of the government's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Village of Doyline has not presented management's discussion and analysis, which is supplementary information required by accounting principles generally accepted in the United States of America, but is not a required part of the basic financial statements.

The budgetary comparison information on pages 21 – 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



Cook & Morehart
Certified Public Accountants
January 12, 2011

Village of Doyline
Doyline, Louisiana
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 72,279	\$ 20,510	\$ 92,789
Investments	14,639		14,639
Receivables		3,209	3,209
Prepaid Insurance	5,810		5,810
Capital assets, net	22,775	1,025,345	1,048,120
Total assets	<u>115,503</u>	<u>1,049,064</u>	<u>1,164,567</u>
Liabilities			
Accounts payable	550	2,935	3,485
Total liabilities	<u>550</u>	<u>2,935</u>	<u>3,485</u>
Net Assets			
Invested in capital assets	22,775	1,025,345	1,048,120
Unrestricted	92,178	20,784	112,962
Total net assets	<u>\$ 114,953</u>	<u>\$ 1,046,129</u>	<u>\$ 1,161,082</u>

See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Statement of Activities
For the Year Ended June 30, 2010

Functions / Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities						
General government	\$ 60,376	\$ 21,102	\$	\$ (60,376)	\$	\$ (60,376)
Public safety	19,631			1,471		1,471
Total governmental activities	<u>80,007</u>	<u>21,102</u>	<u>-</u>	<u>(58,905)</u>		<u>(58,905)</u>
Business-type Activities						
Sewer	84,154	35,534	272,458		223,838	223,838
Total business-type activities	<u>84,154</u>	<u>35,534</u>	<u>272,458</u>		<u>223,838</u>	<u>223,838</u>
Total Government	<u>\$ 164,161</u>	<u>\$ 56,636</u>	<u>\$ 272,458</u>	<u>(58,905)</u>	<u>223,838</u>	<u>164,933</u>
General revenues:						
		Ad valorem taxes		10,808		10,808
		Franchise taxes		30,094		30,094
		Licenses and permits		31,758		31,758
		Investment earnings		26	93	119
		Miscellaneous		922		922
		Transfer		(41,172)	41,172	
				<u>32,436</u>	<u>41,265</u>	<u>73,701</u>
Change in net assets				(26,469)	265,103	238,634
Net assets - beginning				141,422	781,026	922,448
Net assets - ending				<u>\$ 114,953</u>	<u>\$ 1,046,129</u>	<u>\$ 1,161,082</u>

See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Balance Sheet
Governmental Funds
June 30, 2010

	General	LCDBG	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 72,277	\$ 2	\$ 72,279
Investments	14,639		14,639
Total assets	<u>\$ 86,916</u>	<u>\$ 2</u>	<u>\$ 86,918</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 550	\$	\$ 550
Total liabilities	<u>550</u>		<u>550</u>
Fund balances:			
Unreserved	86,366	2	86,368
Total fund balances	<u>86,366</u>	<u>2</u>	<u>86,368</u>
Total liabilities and fund balances	<u>\$ 86,916</u>	<u>\$ 2</u>	<u>\$ 86,918</u>

See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010

Fund balances - total governmental funds	\$ 85,368
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,775
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	<u>5,810</u>
Net assets of governmental activities	<u><u>\$ 114,953</u></u>

See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General	LCDBG	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 10,808	\$	\$ 10,808
Franchise taxes	30,094		30,094
Licenses and permits	31,758		31,758
Fines and forfeitures	21,102		21,102
Investment earnings	26		26
Miscellaneous	922		922
Total revenues	<u>94,710</u>	<u></u>	<u>94,710</u>
Expenditures:			
Current:			
General government	56,282		56,282
Public safety	19,631		19,631
Total expenditures	<u>75,913</u>	<u></u>	<u>75,913</u>
Excess (deficiency) of revenues over expenditures	<u>18,797</u>	<u></u>	<u>18,797</u>
Other financing (uses):			
Transfers out	<u>(41,172)</u>	<u></u>	<u>(41,172)</u>
Excess (deficiency) of revenues over expenditures and other uses	(22,375)		(22,375)
Fund balances at beginning of year	<u>108,741</u>	<u>2</u>	<u>108,743</u>
Fund balances at end of year	<u>\$ 86,366</u>	<u>\$ 2</u>	<u>\$ 86,368</u>

See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Net change in fund balances - total governmental funds	\$	(22,375)
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Amounts reported for governmental activities in the statement of activities are different because:

<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		(3,583)
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<p>The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.</p>		(511)
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Change in net assets of governmental activities	\$	(26,469)
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See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Balance Sheet
Proprietary Fund
June 30, 2010

	Business-Type Activities - Enterprise Fund- Sewer
Assets	
Current assets:	
Cash and cash equivalents	\$ 20,510
Receivables	3,209
Total current assets	<u>23,719</u>
Noncurrent assets:	
Capital assets:	
Sewer system	1,641,323
Less: accumulated depreciation	(615,978)
Total noncurrent assets	<u>1,025,345</u>
Total assets	<u>\$ 1,049,064</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 2,935
Total current liabilities	<u>2,935</u>
Net assets	
Invested in capital assets	1,025,345
Unrestricted	20,784
Total net assets	<u>1,046,129</u>
Total liabilities and net assets	<u>\$ 1,049,064</u>

See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund- Sewer
Operating revenues:	
Charges for service -	
Sewerage service charges	\$ 35,409
Other charges and fees	125
Total operating revenues	<u>35,534</u>
Operating expenses:	
Depreciation	42,996
Collection fee	3,300
Utilities	2,782
Operator expenses	13,350
Repairs and maintenance	9,439
Miscellaneous	10,787
Testing - lab fees	1,500
Total operating expenses	<u>84,154</u>
Operating income (loss)	<u>(48,620)</u>
Non-operating revenues (expenses):	
Interest income	93
Total non-operating revenues (expenses)	<u>93</u>
Income (loss) before contributions and transfers	(48,527)
Capital contributions	272,458
Transfer in	<u>41,172</u>
Change in net assets	265,103
Net assets - beginning of year	<u>781,026</u>
Net assets - end of year	<u><u>\$ 1,046,129</u></u>

See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2010

Cash Flows From Operating Activities	
Receipts from customers	\$ 35,263
Cash payments to suppliers for goods and services	(39,498)
Other receipts (payments)	125
Net Cash From Operating Activities	<u>(4,110)</u>
 Cash Flow From Noncapital Financing Activities	
Transfer from other fund	<u>41,172</u>
Net Cash From Noncapital Financing Activities	<u>41,172</u>
 Cash Flow From Capital and Related Financing Activities:	
Capital contributions	272,458
Purchase of capital assets	(303,706)
Net Cash (Used) by Capital and Related Financing Activities	<u>(31,248)</u>
 Cash Flow From Investing Activities	
Interest income	<u>93</u>
Net Cash From Investing Activities	<u>93</u>
 Net increase in cash and cash equivalents	5,907
 Cash, beginning of year	<u>14,603</u>
 Cash, end of year	<u><u>\$ 20,510</u></u>
 Reconciliation of Operating Loss to Net Cash Provided	
By/(Used In) Operating Activities	
Operating Income (loss)	\$ (48,620)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities	
Depreciation expense	42,996
Accounts receivable	(146)
Accounts payable	1,660
Net Cash Flows From Operating Activities	<u><u>\$ (4,110)</u></u>

See accompanying notes and independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010

INTRODUCTION

The Village of Doyline was incorporated in 1949 under the provisions of the Lawrason Act. The Village operates under a Mayor–Board of Aldermen form of government.

(1) Summary of Significant Accounting Policies

The Village of Doyline's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village of Doyline are discussed below.

A. Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Doyline is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village of Doyline), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the Village of Doyline are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14, as amended by GASB Statement No. 39, established criteria for determining which component units should be considered part of the Village of Doyline for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

In addition, the GASB 39 states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Village of Doyline's basic financial statements include both government-wide (reporting the funds maintained by the Village of Doyline as a whole) and fund financial statements (reporting the Village of Doyline's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general fund and LCDBG special revenue fund are classified as governmental activities. The Village's sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village of Doyline's net assets are reported in two parts – invested in capital assets and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village of Doyline's functions. The functions are also supported by general government revenues (property and franchise taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations of providing sewer services.

The net costs (by function) are normally covered by general revenue (property, franchise taxes, certain intergovernmental revenues, interest income, etc.).

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

This government-wide focus is more on the sustainability of the Village of Doyline as an entity and the change in the Village of Doyline's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village of Doyline are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village of Doyline:

1. **Governmental Funds** – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village of Doyline:
 - a. General fund is the general operating fund of the Village of Doyline. It is used to account for all financial resources except those required to be accounted for in another fund.
 - b. LCDBG fund is the Louisiana Community Development Block Grant fund and is used to account for the proceeds of a grant received for the purposes of fire protection.
2. **Proprietary Funds** – the focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village of Doyline:
 - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. The Village has no non-major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Sewer Fund - accounts for the provision of sewer services of the Village.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Budgets

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor and Board of Alderman prepare a proposed budget.
2. After completion of all action necessary to finalize and implement the budget, the budget is adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Alderman. There was one budget amendment for the year ended June 30, 2010.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Board of Alderman.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

F. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Land	N/A
Buildings	30-50 years
Equipment	5-12 years
Sewer systems	40 years
Sewer equipment	7-8 years

GASBS No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

H. Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by The Village in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The Village bills and collects its own property taxes, using the assessed values determined by the tax assessor of Webster Parish. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Village is entitled to the funds.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

I. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

J. Compensated Absences

The Village has no formal compensated absences policy. As of June 30, 2010, employee leave benefits were determined to be immaterial and are therefore not recorded as a liability.

K. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. During the year ended June 30, 2010, the general fund transferred \$41,172 to the sewer fund for completion of the sewer rehabilitation project.

L. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

M. Bad Debts

The Village uses the direct charge-off method of accounting for uncollectible ad valorem taxes and sewer system receivables. Although this method is not in accordance with generally accepted accounting principles, the overall effect on the financial statements is immaterial.

N. Capitalized Interest

The Village capitalizes net interest costs and interest earned as part of the cost of constructing various sewer projects when material.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

O. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Sewer Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

P. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

Q. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

(2) Ad Valorem Taxes

The assessment for year ended June 30, 2010 was 5.58 mills.

(3) Cash, Cash Equivalents, and Investments

At June 30, 2010, the Village has cash, cash equivalents, and investments (book balances), totaling \$107,428, as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2010 (book balances) totaled \$92,789. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

B. Investments

At June 30, 2010, the Village had investments totaling \$14,639, which consisted of certificates of deposit have initial maturities greater than 90 days. The certificates of deposit are carried at cost, which approximates market.

C. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of June 30, 2010, all of the Village's bank balances totaling \$109,717 were secured by federal deposit insurance.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

(4) Receivables

Accounts receivables at June 30, 2010 consist of sewer customer accounts receivable.

(5) Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 12,200	\$	\$	\$ 12,200
Capital assets, being depreciated:				
Buildings	54,316			54,316
Equipment	34,984			34,984
Total capital assets, being depreciated at historical cost	89,300			89,300
Less accumulated depreciation:				
Buildings	(42,985)	(1,420)		(44,405)
Equipment	(32,157)	(2,163)		(34,320)
Total accumulated depreciation	(75,142)	(3,583)		(78,725)
Total capital assets, being depreciated, net	14,158	(3,583)		10,575
Governmental activities capital assets, net	<u>\$ 26,358</u>	<u>\$ (3,583)</u>	<u>\$</u>	<u>\$ 22,775</u>

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
<u>Business-Type Activities:</u>				
Capital assets, being depreciated:				
Sewer system	\$ 1,316,248	\$ 303,706	\$	\$ 1,619,954
Sewer equipment	21,369			21,369
Total capital assets, being depreciated at historical cost	<u>1,337,617</u>	<u>303,706</u>		<u>1,641,323</u>
Less accumulated depreciation:				
Sewer system	(558,655)	(41,367)		(600,022)
Sewer equipment	(14,327)	(1,629)		(15,956)
Total accumulated depreciation	<u>(572,982)</u>	<u>(42,996)</u>		<u>(615,978)</u>
Total capital assets, being depreciated, net	<u>764,635</u>	<u>260,710</u>		<u>1,025,345</u>
Business-type activities capital assets, net	<u>\$ 764,635</u>	<u>\$ 260,710</u>	<u>\$</u>	<u>\$ 1,025,345</u>

Depreciation expense for the year ended June 30, 2010 was charged to Governmental and Business-type Activities as follows:

	Governmental Activities	Business-type Activities	Total
General government	\$ 3,583	\$	\$ 3,583
Sewer		42,996	42,996
Total	<u>\$ 3,583</u>	<u>\$ 42,996</u>	<u>\$ 46,579</u>

(6) Risk Management

The Village purchases commercial insurance to provide workers compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the previous year.

(7) LCDBG Contract

The Village entered into a contract with the State of Louisiana, Division of Administration for Louisiana Community Development Block Grant funds in the amount of \$557,500 for the purpose of sewer rehabilitation. The contract was completed during the year ended June 30, 2010. Amounts received and expended during the year ended June 30, 2010 was \$272,458.

(Continued)

Village of Doyline
Doyline, Louisiana
Notes to Financial Statements
June 30, 2010
(Continued)

(8) Compensation – Mayor and Alderman

During the year ended June 30, 2010, the Mayor was paid compensation of \$3,000. The Alderman received no compensation.

(9) Subsequent Events

Subsequent events have been evaluated through January 12, 2011, the date the financial statements were available to be issued.

Village of Doyline
Doyline, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 8,000	\$ 8,000	\$ 10,808	\$ 2,808
Franchise taxes	34,000	34,000	30,094	(3,906)
Licenses and permits	30,000	30,000	31,758	1,758
Fines and forfeitures	8,000	8,000	21,102	13,102
Investment earnings			26	26
Miscellaneous	2,360	2,360	922	(1,438)
Total revenues	82,360	82,360	94,710	12,350
Expenditures:				
Current:				
General government	63,877	67,577	56,241	11,336
Public safety	23,490	23,490	19,631	3,859
Total expenditures	87,367	91,067	75,872	15,195
Excess (deficiency) of revenues over expenditures	(5,007)	(8,707)	18,838	27,545
Other financing sources (uses):				
Transfer out	(41,168)	(41,168)	(41,172)	(4)
Excess (deficiency) of revenues over expenditures and other uses	(46,175)	(49,875)	(22,334)	27,541
Fund balances at beginning of year	87,348	87,648	109,252	21,604
Fund balances at end of year	\$ 41,173	\$ 37,773	\$ 86,918	\$ 49,145

See accompanying note to the required supplementary information.

See independent accountants' review report.

Village of Doyline
Doyline, Louisiana
Notes to Required Supplementary Information
June 30, 2010

The Village's budget is adopted on a cash basis for all funds. There was *one amendment* to the 2010 budget. Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all amendments. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ (22,334)
Adjustments:	
Expenditure accruals – net	<u>(41)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ (22,375)</u>

**Village of Doyline
Doyline, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule For Louisiana Legislative Auditor
June 30, 2010**

There were no findings for the compiled financial statements issued for the year ended June 30, 2009.

**Corrective Action Plan For Current Year Audit Findings
Schedule For Louisiana Legislative Auditor
June 30, 2010**

There were no findings for the year ended June 30, 2010.

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report On Applying Agreed-Upon Procedures

To the Honorable Cleveland Bradfield, Mayor
And the Members of the Board of Alderman
Village of Doyline

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Village of Doyline and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Doyline's compliance with certain laws and regulations during the year ended June 30, 2010 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

Expenditures made during the year ended June 30, 2010 subject to public bid law were made in accordance with LSA-RS 38:2211-2296.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

The Village provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The Village provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from the Village in agreed-upon procedure (3) were also included on the listing obtained from the Village in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by the Village [agreed-upon procedure (3)] appeared on the list provided by the Village in agreed-upon procedure.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The Village provided us with a copy of the original budget and amendments. There was one amendment to the budget during the year ended June 30, 2010.

6. Trace the budget adoption and amendment to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on June 1, 2009 which indicated that the budget had been adopted by the Alderman. We traced the budget amendment to the minutes of a meeting held on June 1, 2009.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues fail to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account;

All six disbursements were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village posted or advertised its meetings and agendas as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

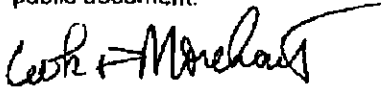
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year ended June 30, 2010 indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Doyline and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Cook & Morehart
Certified Public Accountants
January 12, 2011

Village of Oryline
LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

1-6-11 (Date Transmitted)

Cook + Morehart, CPAs

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of 1-6-11 completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

1-6-10 CLERK
Date Secretary Sharon J. Eiland

1-6-10 MAYOR
Date President Cleveland Bradford